

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS NOVEMBER 30, 2004

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS

November 30, 2004

Balance Sheet:

Investments: US Government Securities — increased by \$67.0 million due primarily to the collection of one percent deposit adjustments due from credit unions on October 18.

Due from Credit Unions — of \$6.9 million represents the amount of one percent deposit adjustments due from credit unions on October 18, 2004.

Cash — includes \$.5 million in collections on one percent deposit adjustments received after the overnight investment was made on November 30, 2004.

Interest Receivable — net decrease of \$38.7 million is due to a combination of \$14.9 million in accrued interest earned in November, and payments of \$53.5 million received by the NCUSIF in November.

Prepaid & Deferred Charges — is \$.8 million for November. \$7.5 million was transferred to the operating fund to cover 59.8% of the agency's operating costs. November's actual operating costs were \$6.7 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

NCUSIF Equity — remained at 1.28% for November. The equity ratio is based upon an insured share base of \$497.0 billion for June 30, 2004.

Statement of Revenue and Expense:

NCUSIF Total Operating Expense — of \$6.9 million includes \$197.7 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is \$.3 million for November. This increase is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
NOVEMBER 30, 2004

ASSETS	NOVEMBER 2003	OCTOBER 2004	NOVEMBER 2004
Investments:			
U.S. Government Securities	\$6,074,433,148.60	\$6,286,635,874.08	\$6,353,666,630.35
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
	-----	-----	-----
Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	3,280,961.79	32,427,324.86	6,910,266.94
Loans due to NCUSIF	1,711,419.24	4,495,917.94	4,495,917.94
Recoveries from Liq. CU	12,907,793.55	18,102,356.10	16,075,831.45
	-----	-----	-----
Total Other Receivables	17,900,174.58	55,025,598.90	27,482,016.33
Cash	5,558.24	294,909.14	527,001.53
Interest Receivable	39,813,852.76	70,390,742.37	31,734,984.77
Prepaid & Deferred Charges	1,956,801.98	1,119,781.85	810,890.67
Leased Assets	887,271.18	586,068.28	551,541.71
Other	26,595,261.16	25,368,568.47	25,256,723.68
	-----	-----	-----
TOTAL ASSETS	\$6,161,592,068.50	\$6,439,421,543.09	\$6,440,029,789.04
	=====	=====	=====
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$7,950,279.22	\$13,322,482.73	\$13,380,225.84
Other	228,230.77	0.00	3,990.74
Check Clearing Accounts	19,569.81	9,786.56	6,780.84
Dividend Check Clearing	0.00	0.00	0.00
	-----	-----	-----
Total Current Liabilities	8,198,079.80	13,332,269.29	13,390,997.42
Provision for CU Losses (Reserves)	77,788,709.26	88,750,924.52	85,440,285.72
Lease Liabilities	934,866.72	523,196.77	523,953.44
	-----	-----	-----
TOTAL LIABILITIES	\$86,921,655.78	\$102,606,390.58	\$99,355,236.58
EQUITY			
CU Contributed Capital	\$4,704,567,945.04	\$4,943,008,364.76	\$4,943,399,404.11
Retained Earnings	1,370,102,467.68	1,393,806,787.75	1,397,275,148.35
	-----	-----	-----
TOTAL EQUITY	\$6,074,670,412.72	\$6,336,815,152.51	\$6,340,674,552.46
TOTAL LIABILITIES & EQUITY	\$6,161,592,068.50	\$6,439,421,543.09	\$6,440,029,789.04
	=====	=====	=====

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending November 30, 2004

	NOV 03	OCT 04	NOV 04
1. Investments/Total Assets	98.59%	97.63%	98.66%
2. Total Equity/Insured Shares	1.28%	1.28%	1.28%
3. Prov. for Losses/CU Capital	1.65%	1.80%	1.73%
4. Non-Earning/Total Assets	0.98%	1.98%	0.95%
5. Available Asset Ratio	1.26%	1.24%	1.24%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING NOVEMBER 30, 2004

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2004	CY TO DATE BUDGETED 2004	CY TO DATE 2003
Investment Income	\$10,571,748.92	\$10,500,000.00	\$113,852,607.87	\$115,500,000.00	\$140,594,092.41
Other Income	41,400.53	40,000.00	473,017.93	440,000.00	726,947.15
	-----	-----	-----	-----	-----
Total Income	10,613,149.45	10,540,000.00	114,325,625.80	115,940,000.00	141,321,039.56
EXPENSE					
Employee Pay	4,100,722.83	4,444,275.97	44,741,642.33	48,291,988.08	47,362,463.56
Employee Benefits	982,243.15	1,135,856.88	11,158,618.83	12,349,845.85	11,178,650.96
Employee Travel	663,208.91	672,360.07	6,050,439.53	7,395,960.85	5,756,970.66
Rent/Communications/Utilities	74,777.41	221,527.25	2,214,151.25	2,436,799.68	2,206,564.48
Administrative Costs	532,438.83	630,663.33	5,158,272.40	6,937,296.58	4,723,882.67
Contracted Services	335,718.20	407,798.60	2,889,795.16	4,485,784.67	2,515,042.55
	-----	-----	-----	-----	-----
Subtotal NCUA Operating Exp.	6,689,109.33	7,512,482.10	72,212,919.50	81,897,675.71	73,743,574.88
AMAC Expense	9.18	15,000.00	30,848.63	165,000.00	29,494.89
Training Expense	159,610.76	110,000.00	919,907.04	1,210,000.00	1,144,048.76
Leasing Expense	35,283.24	35,250.00	390,047.52	387,750.00	517,848.14
Other Insurance Expense	2,776.34	3,500.00	32,774.17	38,500.00	144,176.01
	-----	-----	-----	-----	-----
Total Operating Exp.	6,886,788.85	7,676,232.10	73,586,496.86	83,698,925.71	75,579,142.68
Insurance Loss	258,000.00	1,250,000.00	12,258,134.22	13,750,000.00	35,566,561.73
	-----	-----	-----	-----	-----
Total Expense	7,144,788.85	8,926,232.10	85,844,631.08	97,448,925.71	111,145,704.41
NET INCOME	\$3,468,360.60	\$1,613,767.90	\$28,480,994.72	\$18,491,074.29	\$30,175,335.15
	=====	=====	=====	=====	=====
Retained Earnings, Beginning of Year			\$1,368,794,153.63		\$1,339,927,132.53
Prior Year Adjustment			0.00		0.00
			-----		-----
As Restated			1,368,794,153.63		1,339,927,132.53
Net Income			28,480,994.72		30,175,335.15
			-----		-----
Dividends			1,397,275,148.35		1,370,102,467.68
			0.00		0.00
			-----		-----
Retained Earnings, End of Year			\$1,397,275,148.35		\$1,370,102,467.68
			=====		=====

Comparative Analysis of NCUSIF Ratios for November 30, 2004

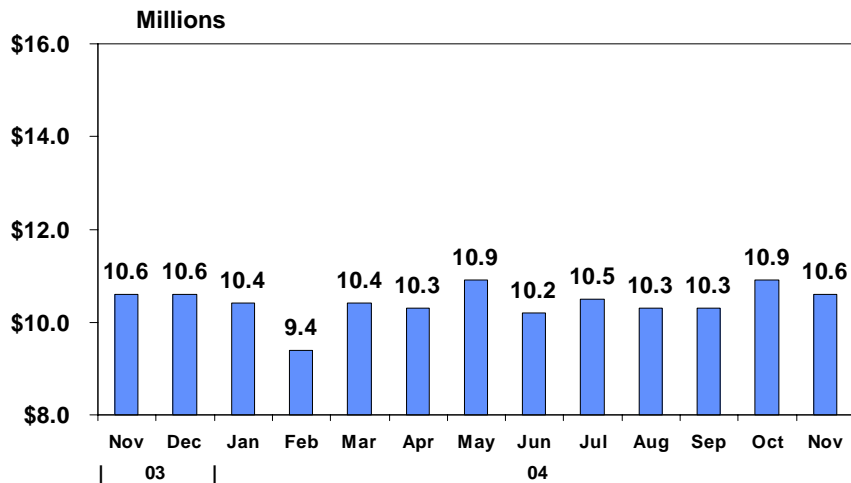
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	60.10%	64.89%	53.48%	64.37%
2. Ins. Loss/Total Income	27.27%	2.43%	25.17%	10.72%
3. Total Exp./Total Income	87.37%	67.32%	78.65%	75.09%
4. Net Income/Total Income	12.63%	32.68%	21.35%	24.91%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.01%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
November 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$127,878,629.01
Other income received	473,017.93
Cash paid for operating expenses	(76,014,322.57)
Net cash (paid) received for insurance losses	<u>(6,286,298.37)</u>
Net cash provided by operating activities	46,051,026.00
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(279,532,567.17)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>1,230,292.69</u>
Net cash provided by (used in) investing activities	(278,302,274.48)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	232,772,632.55
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	232,772,632.55
NET INCREASE (DECREASE) IN CASH	521,384.07
CASH, BEGINNING OF YEAR	5,617.46
CASH, ENDING NOVEMBER 30, 2004	<u>\$527,001.53</u>

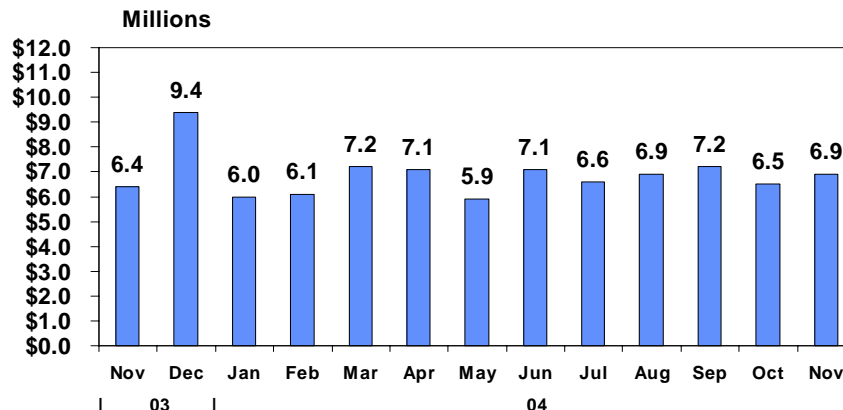
GROSS INCOME

November 03 – November 04



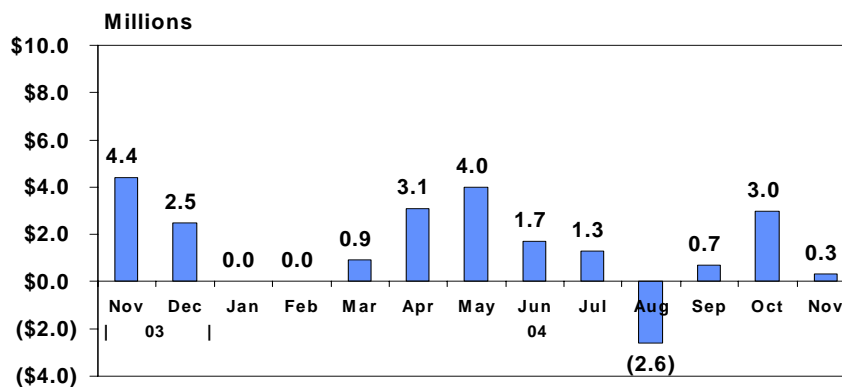
OPERATING EXPENSE

November 03 – November 04



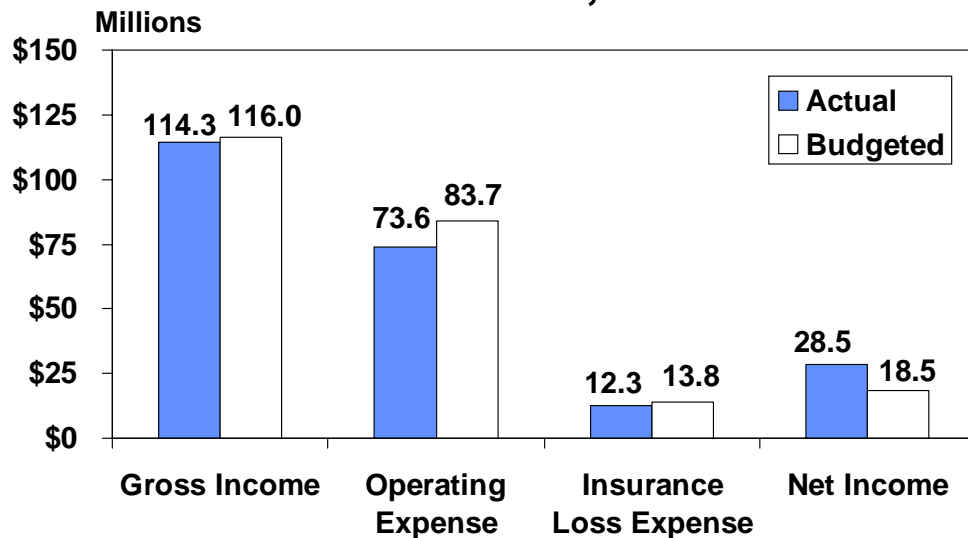
INSURANCE LOSS EXPENSE

November 03 – November 04



REVENUE AND EXPENSE

November 30, 2004



NCUSIF EQUITY RATIO

November 30, 2004

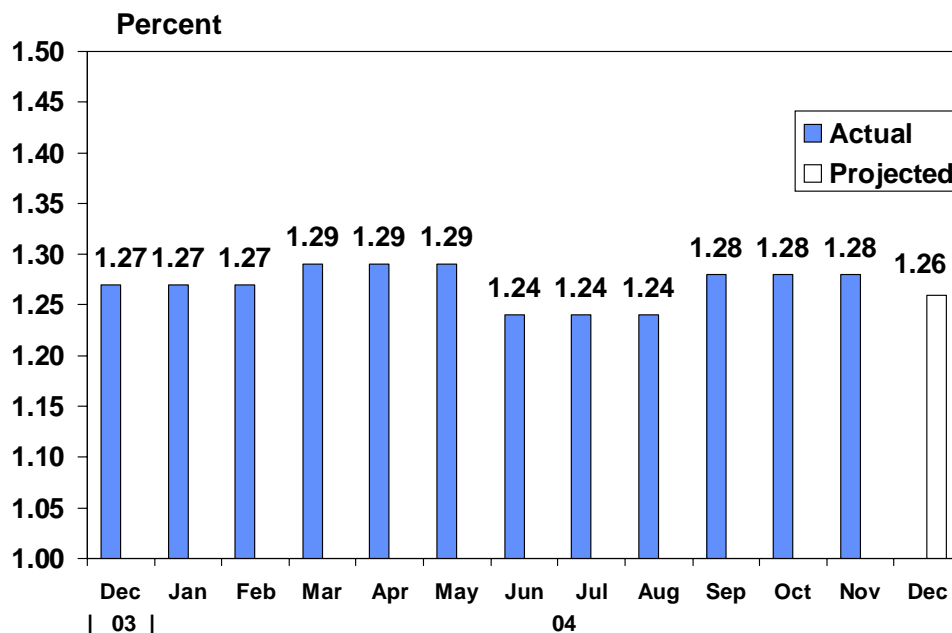
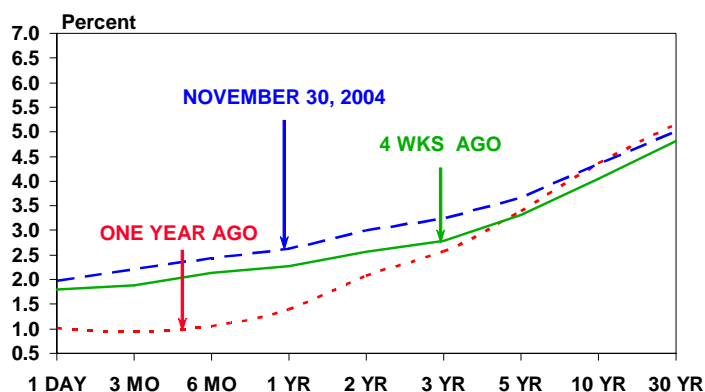


TABLE 4

INVESTMENT PORTFOLIO SUMMARYNOVEMBER 30, 2004

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,562,355,000	\$1,562,355,000	\$0	100.0%	1.89%
U.S. Treasury Notes	\$4,791,311,630	\$4,751,875,000	(\$39,436,630)	99.2%	2.01%
TOTAL	\$6,353,666,630	\$6,314,230,000	(\$39,436,630)	99.4%	1.99%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY04 Projections	
Investment Yield	2.00%	2.00%	1.98%	2.00%	
Investment Income	\$10,848,108	\$10,571,749	\$113,852,608	126 Million	
Income Budgeted	\$10,500,000	\$10,500,000	\$115,500,000	126 Million	
Income/Budgeted Ratio	103.3%	100.7%	98.6%	100.00%	
Avg. Maturity in Days	457	474	459		
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	2,262.4				
3 months - 1 year	1,500.0				
1 year - 2 years	1,600.0				
2 years - 3 years	800.0				
3 years - 4 years	100.0				
TOTAL	\$6,262.4				

TREASURY YIELD CURVE



MATURITY SCHEDULE

November 30, 2004

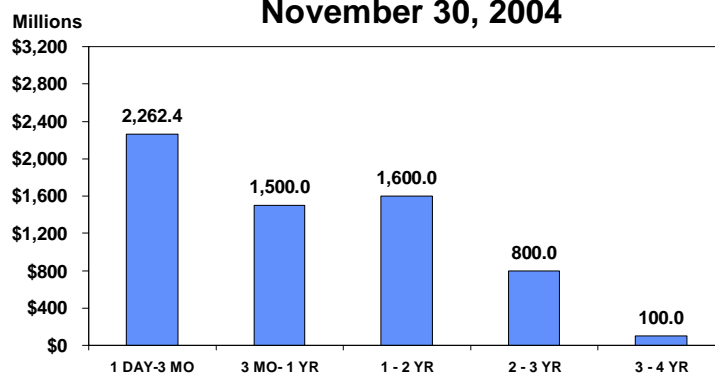


TABLE 5

YIELD COMPARISONSNovember 30, 2004

YIELD COMPARISONS								
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04
NCUSIF Yield	2.02%	2.05%	1.98%	1.97%	1.92%	2.00%	2.00%	2.00%
90 day T-Bill	0.97%	1.07%	1.28%	1.40%	1.59%	1.70%	1.89%	2.21%
1 year T-Bill	1.55%	1.77%	2.04%	2.02%	1.96%	2.20%	2.28%	2.61%
2 year T-Note	2.34%	2.55%	2.70%	2.64%	2.37%	2.64%	2.57%	2.99%
30 year T-Note	5.30%	5.37%	5.30%	5.19%	4.91%	4.92%	4.81%	5.00%

YIELD COMPARISONS

NOVEMBER 30, 2004

